

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1368 be amended to read as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3       "SECTION 1. IC 5-10.2-3-1.3 IS ADDED TO THE INDIANA  
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 1.3. (a) A**  
6 **member who:**  
7       **(1) is an employee of the state;**  
8       **(2) has earned at least nine (9) years but not more than ten**  
9       **(10) years of service in a position covered by PERF; and**  
10       **(3) has received notice that the member is being laid off from**  
11       **employment with the state;**  
12       **may purchase up to one (1) year of service credit in order to attain**  
13       **vested status (as defined in IC 5-10.2-1-8) in PERF.**  
14       **(b) Before a member is laid off, a member who desires to**  
15       **purchase additional service credit under subsection (a) must notify**  
16       **the board that the member intends to make a purchase under this**  
17       **section and enter into an agreement with the PERF board to**  
18       **contribute to the fund as follows:**  
19       **(1) Contributions that are equal to the product of the**  
20       **following:**  
21       **(A) The member's salary at the time the member is laid off.**  
22       **(B) A rate, determined by the actuary for the fund, that is**  
23       **based on the age of the member at the time the member is**  
24       **laid off and computed to result in a contribution amount**

that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(C) The amount of service credit the member intends to purchase.

(2) Contributions for any accrued interest, at a rate determined by the actuary for the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(c) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of service credit over a period not to exceed one (1) year after the date the member is laid off.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for the purpose of computing benefits unless the member has made all payments required for the purchase of the service credit.

(4) To the extent permitted by the Internal Revenue Code and applicable regulations, a member may purchase service credit under this section by a rollover distribution to the fund from any of the following:

(A) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.

(B) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(C) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(D) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

(d) A member who fails to make the payments required to purchase service credit under this section may withdraw the amount of the payments made, plus accumulated interest, after submitting a properly completed application for a refund to the fund. However, the member must also apply for a refund of the member's entire annuity savings account under section 6 of this chapter to be eligible for a refund of the member's rollover amount.

(e) For a member who is a state employee, the employer may pay all or a part of the member contributions required for the purchase of service credit under this section. In that event, the

1     **actuary shall determine the amortization, and subsections (c)(1),**  
2     **(c)(3), (c)(4), and (d) do not apply."**

3     Renumber all SECTIONS consecutively.

(Reference is to HB 1368 as printed January 26, 2006.)

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Representative Goodin